



## United States Department of the Interior

NATIONAL PARK SERVICE  
1849 C Street, N.W.  
Washington, D.C. 20240



March 11, 2015

**PROPERTY: Acree's Warehouse (Danville Radiator Works), 321 Craghead Street, Danville, VA**  
**PROJECT NUMBER: 29885**

Dear

I have concluded my review of your appeal of the decision of Technical Preservation Services (TPS), National Park Service, denying certification of the rehabilitation of the property cited above. The appeal was initiated and conducted in accordance with Department of the Interior regulations (36 C.F.R. part 67) governing certifications for federal income tax incentives for historic preservation as specified in the Internal Revenue Code. I thank  
and , for meeting with me in Washington on December 17, 2014, and for providing a detailed account of the project.

Acree's Warehouse is a contributing building in the Danville Tobacco Warehouse and Residential District, which is listed on the National Register of Historic Places. TPS determined that it is a "certified historic structure" for rehabilitation purposes on February 28, 2014. Acree's Warehouse was one of the largest loose-leaf tobacco auction warehouses in Danville, first operating as a business at the corner of Craghead and Loyal Streets, and eventually expanding to cover most of the block bounded by Craghead, Loyal, Bridge, and Wilson Streets. The building extant today primarily dates from 1929, rebuilt and enlarged following a major fire in January of that year that had destroyed the previous warehouse and four other businesses on the block. It is one tall story in height along Craghead Street, with an exposed partial basement along Bridge Street that originally housed a livery. The building itself has relatively little architectural distinction, its reconstruction in just six months being both utilitarian and industrial in character.

In its October 21, 2014, decision, TPS determined that the "proposed removal of most of the building's first floor and lower level to accommodate the new concrete floor and parking ramps would significantly alter the character of the building" and cause the rehabilitation to fail to meet Standards 1, 2, and 6, of the Secretary of the Interior's Standards for Rehabilitation (the Standards). For the reasons described below, I concur with TPS, and hereby affirm the previous decision.

After careful review of the complete record for this project, I have determined that the historic significance of Acree's Warehouse derives primarily from the long history of tobacco auctions held in the building and that the primary character-defining feature which embodies that significance is the space in which the auctions took place. The broad, open space of the auction floor, impeded by few columns and brightly lit by skylights, is described in both contemporary and historical accounts as one of the most important features of an ideal—and this particular—loose-leaf tobacco auction warehouse. The historic character of that volume is defined by the planes that enclose it and the materials of those planes: the rough texture of the wooden floor, the brick walls punctuated at regular intervals by windows lighting the perimeter of the space, and the steel trusses and roof deck, with skylights bringing light into the center of the space. Each of those defining elements is critical to the overall historic character of the space. Take any one of them away and the space loses its historic character and integrity.

The stated purpose for the proposed rehabilitation of Acree's Warehouse is to provide parking for new development across Bridge Street. The new use will gut the historic interior, removing the entire wooden auction floor except for two structural bays along Craghead Street (approximately thirty feet in a building 340 feet long) and constructing a new concrete slab on grade for parking, sloped to follow the grade of the site. The new slab will have no relation to the historic wooden auction floor in either material or location, starting at its lowest point from the level of the historic livery in the basement under the auction floor along Bridge Street, and rising to a level approximately four feet below the remnant auction floor along Craghead Street. The interior volume will thus change from the uniform height of the auction floor to a significantly taller, varying-height, volume resembling a sloped-floor auditorium. Further, the new use will effectively reorient the historic entrance to the building from Craghead Street to its former basement on Bridge Street. I have determined that such a radical change in use—and the resulting destruction of the primary character-defining feature of the property, its auction floor—is not consistent with the historic character of the property and the historic district in which it is located. Consequently, I find that the overall impact of the proposed rehabilitation on the historic character of the property does not meet Standards 1 and 2. Standard 1 states, "*A property shall be used for its historic purpose or be placed in a new use that requires minimal change to the defining characteristics of the building and its site and environment.*" Standard 2 states, "*The historic character of a property shall be retained and preserved. The removal of historic materials or alteration of features and spaces that characterize a property shall be avoided.*"

I note that the 1929 reconstruction and expansion of Acree's Warehouse incorporated part of the former Banner's Warehouse, fronting on what was then the newly cut-through Wilson Street. That portion of the building had an already-existing concrete floor slab, and the use of that section of Acree's Warehouse for parking is both reasonable and acceptable under the Standards. Consequently, the conversion of that section of the building into parking has not entered into my decision.

I acknowledge that the exterior of the building will remain substantially intact and that few of these interior changes will be obvious from the street. However, program regulations require review of the overall impact of the rehabilitation on the historic character of a property on both the interior and the exterior. The regulations state, "*A rehabilitation project for certification purposes encompasses all work on the interior and exterior of the certified historic structure(s) and its site and environment, as determined by the Secretary, as well as related demolition, new construction or rehabilitation work which may affect the historic qualities, integrity or site, landscape features, and environment of the certified historic structure(s).*" [36 CFR § 67.6(b)].

TPS also cited Standard 6 in its denial letter, which states, "*Deteriorated historic features shall be repaired rather than replaced. Where the severity of deterioration requires replacement of a distinctive feature, the new feature shall match the old in design, color, texture, and other visual*

*qualities and, where possible, materials. Replacement of missing features shall be substantiated by documentary, physical, or pictorial evidence.”* As part of the appeal, submitted an engineering report, noting that the report stated that wooden auction floor did not have adequate bearing capacity and would have to be replaced. However, I note the report evaluated the capacity of the historic floors for the proposed new use, parking, not for other potential uses. The cover letter of the report, dated April 23, 2012, states, “While the slab on grade appears to be adequate, we can state that the framed floor area is almost certainly inadequate to support the loads associated with a parking garage.” Consequently, I have concluded that the removal of the wooden auction floor was driven primarily by the change in use rather than deterioration, and thus that Standard 6 is not applicable in this instance.

Finally, with regard to TPS’ claim that the new floor will “cut across the window openings and be visible from the building’s exterior,” that is not the case. Instead, the new floor slab will be substantially below the auction floor windows, leaving them as much as a full story above the original floor height along Bridge Street. However, as TPS correctly noted, “The building would no longer be a one-and-a-half story building in the interior, and the volume, appearance and character of the space would be changed.” Indeed, the removal of the auction floor creates a dramatically enlarged interior volume that bears little resemblance to the historic interior and thus fails to preserve its historic significance.

Although this is an appeal of a denial of a Part 2 amendment, acknowledged during our meeting that the interior of the building has already been gutted and that work on the project is well underway, unfortunately eliminating any possibility that the project could be modified in order to meet the Standards. The regulations state, “*Owners who undertake rehabilitation projects without prior approval from the Secretary do so strictly at their own risk.*” [36 CFR § 67.6(a)(1)].

As Department of the Interior regulations state, my decision is the final administrative decision with respect to the October 21, 2014, denial that TPS issued regarding rehabilitation certification. A copy of this decision will be provided to the Internal Revenue Service. Questions concerning specific tax consequences of this decision or interpretations of the Internal Revenue Code should be addressed to the appropriate office of the Internal Revenue Service.

Sincerely,



John A. Burns, FAIA  
Chief Appeals Officer  
Cultural Resources

cc: SHPO-VA  
IRS